

February 25, 2009

The Honorable Charles Terreni
Chief Clerk/Administrative
Public Service Commission of South Carolina
P. O. Drawer 11649
Columbia, South Carolina 29211

RE: Request to Revise Area Lighting Service Schedule ALS and Street Lighting Service Schedule SLS - SCPSC Docket No. 2009-XXX-E

Dear Mr. Terreni:

Progress Energy Carolinas, Inc. (PEC) requests Commission approval to revise its outdoor lighting schedules to restrict the availability of the 40,000 lumen metal halide fixture to existing installations and to introduce a new 33,000 lumen metal halide fixture as an alternative lighting option in this lumen range. These changes respond to requirements of the Energy Independence and Security Act of 2007 enacted on December 19, 2007. PEC is also requesting a change to Schedule SLS that would permit Company fixtures to be installed on government-owned poles that are installed to provide traffic signal service. Attached hereto are an original and twenty-five (25) copies of revised Area Lighting Service Schedule ALS-11A and Street Lighting Schedule SLS-11A that reflect these changes.

The Energy Independence and Security Act of 2007 requires that ballasts installed in certain metal halide fixtures meet higher efficiency standards. The use of "pulse start" metal halide technology is the most practical way to meet this new national lighting efficiency standard. All metal halide fixtures from 150 watts to 500 watts must comply with these new ballast efficiency requirements. The pulse start technology improves the re-strike time following a power interruption from the current 10 to 15 minutes to 2 to 6 minutes, provides improved lumen depreciation and reduces energy consumption when compared to traditional ballasts. The specific changes to the tariffs sought by PEC are:

- 1) In the ALS and SLS schedules, the 40,000 lumen (400 watt) metal halide fixture will not be available for new applications, unless available in inventory. A 33,000 lumen metal halide pulse start fixture is available within this lumen range and offers lower monthly usage at a lower installed cost. To ensure compliance with the Energy Independence and Security Act of 2007, PEC will no longer offer the 40,000 lumen fixture for new installations. Existing applicants may continue to utilize the 40,000 lumen fixture until the fixture fails and a replacement fixture is no longer available in inventory, at which time the 40,000 lumen fixture will be replaced with a 33,000 lumen fixture with a corresponding reduction in the monthly rate.
- 2) In both the ALS and SLS schedules, a new 33,000 lumen metal halide fixture is offered for applications where the 40,000 lumen metal halide fixtures has historically been utilized. The fixture is offered at a monthly rate that is below the 40,000 lumen monthly rate. This lumen class will utilize pulse start ballast technology and will be offered as enclosed cutoff, floodlight and shoebox fixtures, depending upon the customer's lighting requirements.
- 3) Pulse start ballast technology will be utilized upon fixture maintenance replacement or for new installations of the 20,000 lumen metal halide fixtures to comply with the Energy Independence and Security Act of 2007. Although the energy consumption of the ballast will be reduced slightly, the estimated monthly usage of the fixture is expected to continue to be 94 kWh per month, as presently stated in the Company's schedules. The estimated monthly usage reflects the average energy

Progress Energy Service Company, LLC

P.O. Box 11651

Raleigh, NC 27611

consumption based upon the various fixture styles and manufacturers for the lamps and fixtures offered for this lumen category. No change is requested in the monthly rate.

- 4) The present default replacement fixture upon failure of an existing 60,000 lumen mercury vapor fixture in Schedule ALS is a 40,000 lumen metal halide fixture. The default replacement will be revised to indicate that a 33,000 lumen metal halide fixture will be installed unless a different fixture is requested by the customer.

A copy of revised Area Lighting Service Schedule ALS-11A and Street Lighting Service Schedule SLS-11A is attached as Exhibit Nos. 1, and 2, respectively.

The Availability provision of Schedule SLS is modified to allow the installation of lighting fixtures on government-owned traffic signal poles. PEC recently ended its policy of allowing a governmental entity to install its traffic signal equipment on poles that were installed by PEC to provide street lighting service but had no other distribution facilities. Existing installations may continue until such time that the traffic signal equipment is changed, thereby requiring a redesign of the pole support system. By permitting PEC to attach to the customer's pole in this situation, it allows the customer to better control the redesign of its traffic signal facilities and upgrade the poles supporting its equipment as needed. This revision will also minimize the number of poles required at major intersections improving aesthetics of the intersection.

In conjunction with this policy change, PEC has revised two of its standard contract forms to describe conditions regarding the transfer of pole ownership to the governmental entity and the attachment of Company-owned lighting equipment on government-owned traffic signal poles. In compliance with Section 58-27-820 of the South Carolina Code of Laws, the Transfer of Ownership of Traffic Signal Poles Agreement and the Street Light Attachment Agreement are attached as Exhibit Nos. 3 and 4, respectively, for the Commission's information.

No further changes are requested. The Commission's prompt attention to this matter is appreciated.

Very truly yours,



Len S. Anthony
General Counsel
Progress Energy Carolinas, Inc.

Attachments

AREA LIGHTING SERVICE
SCHEDULE ALS-11A

AVAILABILITY

This Schedule is available for service supplied in the lighting of outdoor areas, private streets, and private driveways by means of mercury vapor, metal halide, and sodium vapor lighting units. Lighting units will be bracket-mounted on Company-owned poles and the mercury vapor lamps will be color corrected.

This Schedule is not available for the lighting of dedicated streets or highways.

SERVICE

Prior to installing area lighting facilities, Customer and Company must enter into an agreement for Area Lighting Service. The service supplied by Company will include the installation and operation, according to Company standards and requirements, of the area lighting units and will include the furnishing of electricity required for the illumination of the lamps from dusk to dawn. Company will perform as soon as practicable, during regular working hours, the necessary maintenance to restore illumination after Customer has notified Company that a lamp is not burning. The lumen rating of the lighting units listed under the MONTHLY RATE indicates the class of lamp.

MONTHLY RATE

1. Overhead Service

Basic Rate: The basic rate per fixture defined below will be billed for installations of standard area lighting fixtures installed on Company's system distribution poles. The basic rate does not include the monthly charges for additional facilities, area lighting poles, underground service, Masterpiece Series Standard Facilities, or any contribution required under this Schedule.

<u>Sodium Vapor Units</u>	<u>Monthly Charge Per Fixture</u>
5,800 lumen	\$ 6.69
9,500 lumen	10.57
16,000 lumen	12.67
28,500 lumen	16.86
50,000 lumen	21.24
50,000 lumen flood	23.81
<u>Metal Halide Units</u>	
9,000 lumen	\$ 13.08
20,000 lumen	18.67
33,000 lumen	23.84
110,000 lumen	47.86

Lighting Fixtures – No Longer Available to New Applicants

7,000 lumen semi-enclosed (Mercury Vapor) ¹	\$ 8.09
7,000 lumen (Mercury Vapor) ¹	9.56
12,000 lumen (Retrofit Sodium Vapor) ¹	11.96
21,000 lumen (Mercury Vapor) ¹	14.62
21,000 lumen flood (Mercury Vapor) ¹	18.04
22,000 lumen (Sodium Vapor) ²	13.58
38,000 lumen (Retrofit Sodium Vapor) ¹	16.27
40,000 lumen (Metal Halide) ³	24.88
60,000 lumen (Mercury Vapor) ¹	28.75
60,000 lumen flood (Mercury Vapor) ¹	31.14

¹ Not available for new installations. Upon failure of the fixture or ballast, the fixture shall be replaced at no charge with a similar style fixture as shown in the table below and the monthly rate for the new fixture will apply:

Restricted Lumen Classification	Default Replacement Classification
7,000 lumen MV	9,500 lumen HPS or 9,000 lumen MH*
21,000 lumen MV	20,000 lumen MH
60,000 lumen MV	33,000 lumen MH
12,000 lumen RSV	9,500 lumen HPS
38,000 lumen RSV	28,500 lumen HPS

* A 9,500 lumen sodium vapor fixture shall be the default replacement if a comparable style 9,000 lumen metal halide fixture is unavailable.

² Not available for new installations, except to existing customers for additional units of the same type on the same or contiguous property.

³ Not available for new installations, unless available in inventory. Upon failure of a 40,000 lumen fixture, it will be replaced at no charge with a similar style 33,000 lumen fixture and the monthly rate for the new fixture will apply.

2. Underground Service

For underground service, the monthly bill will be increased by \$3.55 per pole or, in lieu thereof, a one-time contribution of \$177.50 per pole. The monthly pole charge, if selected, may be terminated at any time upon payment by Customer of the one-time contribution. The monthly pole charge defined below will also be applicable to underground service.

3. Special Area Lighting Poles and Posts

A special area lighting pole or post is any Company-owned pole or post, except those installed under Additional Facilities Item No. 4 below, installed as a part of an area lighting system and on which no other Company overhead distribution facilities are installed except those necessary to provide service to an area lighting system, or a pole or post installed as a part of a Company-owned underground area lighting system.

	Monthly Charge Per Pole or Post
Wood	\$2.25
Metal*, Fiberglass, or Post	5.20
12-Foot Smooth Concrete Post**	10.00
16-Foot Smooth Concrete Post**	11.00

Decorative Square Metal	13.10
13-Foot Fluted Concrete Post**	15.00
Decorative Aluminum 12 Foot Post	18.00
Decorative 35- or 39-Foot Tapered Metal Pole	28.58

* Metal will be installed in locations where fiberglass cannot be used, as determined by Company.

** Concrete posts will not be available for new installations on and after August 1, 2007. Concrete posts or similar material posts, as determined by Company, will be offered in accordance with the Additional Facilities paragraph.

4. Masterpiece Series Standard Facilities

Masterpiece Series Standard Facilities are deluxe decorative fixtures, posts, and brackets that are normally maintained in inventory by Company to meet the lighting needs of customers. The MONTHLY RATE for Masterpiece Series Standard Facilities is as follows:

Masterpiece Series Fixtures: In addition to the MONTHLY RATE Item 1, for a 9,000 or 9,500 lumen fixture, Customer pays:

Masterpiece Series A Fixture	\$3.00
Masterpiece Series B Fixture	\$5.00

Masterpiece Series Decorative Posts:

Masterpiece Series A 12-Foot decorative metal post	\$18.00
Masterpiece Series A 16-Foot decorative metal post	\$22.00

Masterpiece Series Bracket:

Masterpiece Series A Twin Mounting Bracket	\$7.50
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ADDITIONAL FACILITIES

- Multiple area lighting fixtures may be installed per pole subject to Company's review and approval. The monthly charge for each additional fixture will be the charge in accordance with the MONTHLY RATE for that fixture plus 2% of the estimated installed cost of the facilities necessary to serve the multiple fixture installation in excess of that normally required to provide standard area lighting service.
- For distribution transformer and/or primary conductor extension, 2% of the estimated installed cost of the required facilities.
- For an underground circuit, each conductor span in excess of 250 feet for an area lighting pole, 2% of the estimated installed cost of the excess circuit. Customer has the option of making a nonrefundable contribution of the estimated installed cost of an underground circuit in excess of 250 feet per span in lieu of paying the monthly facilities charge for such excess circuit.
- For special nonstandard poles and posts not listed above in MONTHLY RATE, 2% of the estimated installed cost of the poles or posts. For nonstandard fixtures not included in the MONTHLY RATE provision above, the monthly charge will be the charge in accordance with the MONTHLY RATE for that fixture plus 2% of the difference between the estimated installed cost of the nonstandard fixture and the estimated cost of the equivalent standard fixture.

5. For a bracket or mast arm in excess of the standard facilities for a given fixture type, 2% of the estimated installed cost of the required facilities in excess of that for standard facilities.

NON-REFUNDABLE CONTRIBUTION

1. In the event that rock, unstable soil, or other conditions require the use of materials and methods of installation other than Company's normal materials and methods, Customer will contribute the additional cost except when the Service Extension Provision as stated below is applicable.
2. Customer will contribute the estimated cost of installing cables under paved or landscaped surface areas; however, Customer may cut and replace the pavement or surface in lieu of making the contribution.
3. Service supplied under the MONTHLY RATE in this Schedule does not include the conversion of existing overhead secondary conductors to underground. Should Customer desire such a conversion under this Schedule, Customer will contribute to Company, in addition to the applicable contributions above, the estimated net loss in salvage value of the overhead facilities being removed. The Customer will thereafter pay the applicable rate for underground service.

SERVICE EXTENSIONS

For area lighting installed as part of and at the same time as other Company facilities, the contributions normally required for Underground Service and abnormal soil conditions under Nonrefundable Contribution Item 1, if any, will be in accordance with Line Extension Plan E. The installation of lighting fixtures or poles shall be in a location that is readily accessible by a Company truck to support installation and maintenance of Company facilities.

FUEL ADJUSTMENT

Fuel and environmental compliance costs as set forth in Rider No. 39Y are included in the kWh charges and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX OR PAYMENT IN LIEU THEREOF

To the above charges will be added any applicable South Carolina sales tax, and for those customers within any municipal or other local governmental jurisdiction, an appropriate amount to reflect any franchise fee, business license tax, or similar percentage fee or tax, or charge in lieu thereof imposed by such entity.

PAYMENTS

Bills are due when rendered and are payable within 15 days from the date of the bill. If any bill is not so paid, the Company has the right to suspend service in accordance with its Service Regulations. In addition, effective on and after January 1, 1989, any bill not paid on or before the expiration of twenty-five (25) days from the date of the bill is subject to an additional charge of 1.5% per month as provided in Rule 103-339(3) of the Rules and Regulations of the South Carolina Public Service Commission.

CONTRACT PERIOD

The initial Contract Period for lighting units shall be one of the following:

- (1) One year when the lighting unit will be mounted on Company's existing distribution pole (excluding temporary service poles), no more than one additional span of overhead secondary conductor is required, and no additional facilities are required;

- (2) Three years for overhead service other than those which comply with the one-year term provisions, and (4) or (5) does not apply; or
- (3) Five years for underground service; or
- (4) Ten years for service to all Masterpiece Series facilities and for service utilizing fixtures, poles, and posts determined by Company as Special Order nonstandard; or
- (5) Twenty years for service utilizing fixtures, poles, and posts determined by Company as Custom Design nonstandard.
- (6) For temporary lighting facilities, the Customer shall pay the total estimated installed cost plus removal costs minus salvage value of the facilities installed to provide such service in lieu of a Contract Period.

The Contract Period shall extend from year to year thereafter until terminated by Customer or Company. Customer may terminate the Agreement before the expiration of the initial Contract Period by paying to Company a sum of money equal to 40% of the bills which otherwise would have been rendered for the unexpired months of the initial Contract Period.

Company may require Customer to initially make a termination deposit which will not exceed the termination amount computed in accordance with the above paragraph. Such termination deposit will be refunded in equal amounts at the end of each full year service is rendered. This annual refund will be the termination deposit divided by the number of years in the Contract Period.

GENERAL

Service rendered under this Schedule is subject to the provisions of Company's Service Regulations filed with the state regulatory commission.

Supersedes Schedule ALS-11

Effective for bills rendered on and after _____, 2009

SCPSC Docket No. 2009-XXX-E, Order No. 2009-XXX

STREET LIGHTING SERVICE
SCHEDULE SLS-11A

AVAILABILITY

This Schedule is available for service supplied in the lighting of dedicated public streets, highways, municipally owned and operated public parking lots, and municipally owned and operated public parks by lighting fixtures mounted on Company-owned poles or government-owned traffic signal poles. This Schedule is also available for continuous service to other installations which were being served on April 1, 1973, under superseded Schedules SL-1G and SL-2C.

SERVICE

The service supplied by Company will include the installation of a street lighting system, according to Company's standards and requirements, which will be owned, maintained and operated by Company, including the furnishing of the electricity required for the illumination of the lamps from dusk to dawn. The lumen ratings of lighting units listed under the Monthly Rate indicate the general class of lamp.

MONTHLY RATE

1. Overhead Service

Basic Rate: The basic rate per fixture defined below will be billed for installations of standard street lighting fixtures. The basic rate does not include the monthly charges for additional facilities, street lighting poles, underground service, or any contribution required under this Schedule and under the Street Lighting Service Regulations.

<u>Sodium Vapor Units</u>	<u>Monthly Charge Per Fixture</u>
5,800 lumen	\$6.07
9,500 lumen	8.53
16,000 lumen	11.70
28,500 lumen	15.33
50,000 lumen	18.33
<u>Metal Halide Units</u>	
9,000 lumen	\$12.07
20,000 lumen	16.72
33,000 lumen	20.92
110,000 lumen	42.01
<u>Lighting Fixtures – No Longer Available to New Applicants</u>	
7,000 lumen semi-enclosed (Mercury Vapor) ¹	\$ 8.84
7,000 lumen (Mercury Vapor) ¹	9.47
12,000 lumen (Retrofit Sodium Vapor) ¹	9.97
21,000 lumen (Mercury Vapor) ¹	15.02
22,000 lumen (Sodium Vapor) ²	12.84
38,000 lumen (Retrofit Sodium Vapor) ¹	15.40
40,000 lumen (Metal Halide) ³	21.53
60,000 lumen (Mercury Vapor) ¹	25.93

- ¹ Not available for new installations. Upon failure of the fixture or ballast, the fixture shall be replaced at no charge with a similar style fixture as shown in the table below and the monthly rate for the new fixture will apply:

Restricted Lumen Classification	Default Replacement Classification
7,000 lumen MV	9,500 lumen HPS
21,000 lumen MV	28,500 lumen HPS
60,000 lumen MV	50,000 lumen HPS
12,000 lumen RSV	9,500 lumen HPS
38,000 lumen RSV	28,500 lumen HPS

- ² Not available for new installations, except to existing customers for additional units of the same type on the same or contiguous property.

- ³ Not available for new installations, unless available in inventory. Upon failure of a 40,000 lumen fixture, it will be replaced at no charge with a similar style 33,000 lumen fixture and the monthly rate for the new fixture will apply.

2. Underground Service

For underground service, the monthly bill will be increased by \$3.55 per pole or, in lieu thereof, a one-time contribution of \$177.50 per pole. The monthly pole charge, if selected, may be terminated at any time upon payment by Customer of the one-time contribution. The monthly pole charge defined below will also be applicable to underground service.

3. Special Street Lighting Poles or Posts

	Monthly Charge Per Pole or Post
Wood	\$1.40
Metal*, Fiberglass, or Post	2.80
12 Foot Concrete Post**	10.00
16 Foot Concrete Post**	11.00
Decorative Square Metal	13.10
13 Foot Fluted Concrete Post**	15.00
Decorative Aluminum 12 Foot Post	18.00
Decorative 35- or 39-Foot Tapered Metal Pole	28.58
System Metal	0.90

- * Metal will be installed in locations where fiberglass cannot be used as determined by Company.
- ** Concrete posts will not be available for new installations on and after August 1, 2007. Concrete posts or similar material posts, as determined by Company, will be offered in accordance with the Additional Facilities paragraph.

For overhead installations of Special Metal and System Metal poles prior to June 1, 1982, the monthly charge will be \$1.80 and \$0.60, respectively.

4. Masterpiece Series Standard Facilities

Masterpiece Series Standard Facilities are deluxe decorative fixtures, posts, and brackets that are normally maintained in inventory by Company to meet the lighting needs of customers. The MONTHLY RATE for Masterpiece Series Standard Facilities is as follows:

Masterpiece Series Fixtures: In addition to the MONTHLY RATE Item 1, for a 9,000 or 9,500 lumen fixture, Customer pays:

Masterpiece Series A Fixture	\$3.00
Masterpiece Series B Fixture	\$5.00

Masterpiece Series Decorative Posts:

Masterpiece Series A 12-Foot decorative metal post	\$18.00
Masterpiece Series A 16-Foot decorative metal post	\$22.00

Masterpiece Series Bracket:

Masterpiece Series A Twin Mounting Bracket	\$7.50
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ADDITIONAL FACILITIES

1. Multiple street lighting fixtures may be installed per pole subject to Company's review and approval. The monthly charge for each additional fixture will be the charge in accordance with the MONTHLY RATE for that fixture plus 2% of the estimated installed cost of the facilities necessary to serve the multiple fixture installation in excess of that normally required to provide standard street lighting service.
2. For distribution transformer and/or primary conductor extension, 2% of the estimated installed cost of the required facilities.
3. For a bracket or mast arm in excess of six feet for underground service or 16 feet for overhead service, 2% of the estimated installed cost of the required facilities in excess of that for standard facilities.
4. For an underground circuit, each conductor span in excess of 250 feet for a street lighting pole, 2% of estimated installed cost of the excess circuit. Customer has the option of making a non-refundable contribution of the estimated installed cost of an underground circuit in excess of 250 feet per span in lieu of paying the monthly additional facilities charge for such excess circuit.
5. For special nonstandard poles and posts not listed as standard items above in MONTHLY RATE, 2% of the estimated installed cost of overhead or underground poles or posts. For nonstandard fixtures not included in the MONTHLY RATE provision above, the monthly charge will be the charge in accordance with the MONTHLY RATE for that fixture plus 2% of the difference between the estimated installed cost of the nonstandard fixture and the estimated installed cost of the equivalent standard fixture.

NONREFUNDABLE CONTRIBUTION

1. In the event that rock, unstable soil, or other conditions require the use of materials and methods of installation other than Company's normal materials and methods, Customer will contribute the additional cost except when the Service Extension Provision as stated below is applicable.
2. Customer will contribute the estimated cost of installing cables under paved or landscaped surface areas; however, Customer may cut and replace the pavement or surface in lieu of making the contribution.

3. Service supplied under the MONTHLY RATE in this Schedule does not include the conversion of existing overhead street lighting circuits to underground. Should Customer desire such a conversion under this Schedule, Customer will pay to Company, in addition to the applicable contribution and charges herein, the estimated net investment depreciated, plus removal cost, less salvage value of the overhead conductor being removed.

SERVICE EXTENSIONS

For street lighting installed as part of and at the same time as other Company facilities, the contributions normally required for Underground Service and abnormal soil conditions under Nonrefundable Contribution Item 1, if any, will be in accordance with Line Extension Plan E. The installation of lighting fixtures or poles shall be in a location that is readily accessible by a Company truck to support installation and maintenance of Company facilities.

FUEL ADJUSTMENT

Fuel and environmental compliance costs as set forth in Rider No. 39Y are included in the kWh charges and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX OR PAYMENT IN LIEU THEREOF

To the above charges will be added any applicable South Carolina sales tax, and for those customers within any municipal or other local governmental jurisdiction, an appropriate amount to reflect any franchise fee, business license tax, or similar percentage fee or tax, or charge in lieu thereof imposed by such entity.

PAYMENTS

Bills are due when rendered and are payable within 15 days from the date of the bill. If any bill is not so paid, the Company has the right to suspend service in accordance with its Service Regulations. In addition, effective on and after January 1, 1989, any bill not paid on or before the expiration of twenty-five (25) days from the date of the bill is subject to an additional charge of 1.5% per month as provided in Rule 103-339(3) of the Rules and Regulations of the South Carolina Public Service Commission.

CONTRACT PERIOD

The Contract Period shall not be less than the following:

- (1) Ten years for standard and Masterpiece Series standard fixtures, poles, and posts, and
- (2) Twenty years for service utilizing fixtures, poles, and posts determined by Company as nonstandard or custom-designed.

GENERAL

Service rendered under this Schedule is subject to the provisions of Company's Street Lighting Service Regulations filed with the state regulatory commission.

Supersedes Schedule SLS-11

Effective for bills rendered on and after _____, 2009

SCPSC Docket No. 2009-XXX-E, Order No. 2009-XXX

Transfer of Ownership of Traffic Signal Poles Agreement

[Date]

[City or Town of _____]
 [Street Address]
 [City/State/Zip Code]
 [Attention: _____]

Subject: Progress Energy Carolinas, Inc. ("Progress Energy") Traffic Signal Poles to

Dear _____:

Progress Energy owns streetlight poles to which municipal traffic signals have been attached (hereinafter referred to as "Progress Energy TS poles") in the [City or Town] of _____ at the following location(s):

Intersection of Streets	Corner Location of Intersection	Progress Energy DIS Pole Number

Going forward, Progress Energy is discontinuing allowing traffic signals to be attached to its streetlight poles. Instead, Progress Energy requests its municipal customers install, own and maintain their own TS poles (hereinafter referred to as "Customer TS poles"). This request applies to all new Customer TS poles and all existing Progress Energy TS poles that are modified in any way per any customer requirement (e.g., relocation of any Progress Energy TS poles, etc.). Should Progress Energy customers agree to assume ownership of traffic signal poles as described herein, then Progress Energy will install Progress Energy street light(s) on those Customer TS poles.

Due to the need to relocate the Progress Energy TS poles identified at the above location(s), we ask that [City or Town] take ownership of these poles, effective as of the date herein.

If you are in agreement, then in order to implement the ownership transfer, please execute both copies of this letter, retain one original for your file and return the other original within ten (10) calendar days to Dawn Guy, Manager, Lighting Solutions Carolinas, P.O. Box 1551, Raleigh, NC 27602.

If this proposal is accepted by you, then following any ownership transfer and/or any subsequent Customer TS pole relocation, Progress Energy also requires that a Street Light Attachment Agreement (hereinafter referred to as the "Attachment Agreement") be executed before Progress Energy street light(s) can be reenergized on your Customer TS poles. If the [City or Town] of _____ does not currently have an Attachment Agreement in place, please contact me at the telephone number below, and I will arrange for an Attachment Agreement to be sent to you for your consideration and signature.

Sincerely,

[Name]
Account Manager
[Telephone: _____]

cc: Steven Schafer (DIS)
Tony Douglas (Property Accounting)
Chante' Woodard (Lighting Solutions billing)

Accepted:

[CITY OR TOWN] OF _____

By _____

Name (printed) _____

Title: _____

Date: _____

RLH/rlh

Street Light Attachment Agreement

[Date]

[City or Town of _____]

[Street Address]

[City/State/Zip Code]

[Attention: _____]

Subject: Attachment Agreement for Installation and Attachment of Progress Energy Carolinas, Inc. ("Progress Energy") Street Lighting Facilities to the [City or Town] of _____ Traffic Signal Poles

Dear _____:

Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. (hereinafter referred to as "Company") and the [City or Town] of _____ (hereinafter referred to as "Municipality") hereby enter into this Attachment Agreement (hereinafter referred to as "Agreement") in order for the Company to install and attach Company owned street lights and any associated peripheral devices (hereinafter referred to as "Street Lighting Facilities") on Municipality's traffic signal pole(s) (hereinafter referred to as "TS Poles") in accordance with the following terms and conditions:

1. Municipality shall be solely responsible for obtaining any and all Property Rights necessary for Company to install and attach Company's Street Lighting Facilities to the TS Poles. Municipality therefore represents and warrants that all Property Rights have been obtained to allow Company to install and attach Company's Street Lighting Facilities to the TS Poles. For purposes of this Agreement, "Property Rights" shall mean the Municipality procuring, obtaining, securing or otherwise obtaining all rights necessary for the Company's placement and maintenance of the Company's Street Lighting Facilities on TS Poles (whether located on public or private property), being wholly free of any underlying real property limitations, easements, contractual limitations, prior liens, mortgages, regulatory clearances, or other encumbrances/restrictions of any kind.
2. Should Company incur any costs or expenses in connection with the installation of Company's Street Lighting Facilities, Municipality shall reimburse Company all such costs and expenses according to the terms and conditions of the Company's Line Extension Plan or its Street Light Rate Schedule as filed with the North Carolina Utilities Commission or Public Service Commission of South Carolina (select one) as amended from time to time.

3. Should Municipality replace or relocate any TS Poles on which Company has attached its Street Lighting Facilities, Company shall be responsible for transferring or relocating its Street Lighting facilities to any new TS Poles as designated by Municipality, but all costs associated with the transfer and relocation of Company's Street Lighting Facilities shall be exclusively borne by the Municipality.
4. Notwithstanding any provision in this Agreement to the contrary, at all times during the term of this Agreement, Company retains the right to remove its Street Lighting Facilities for any reason related to safety, operation of equipment, and/or the provision of electric service to Company's customers.
5. All Municipality facilities and all Company Street Lighting Facilities shall be installed and at all times maintained and utilized in accordance with all applicable state laws and local ordinances. Municipality, and Company shall at all times comply with generally accepted electric utility industry safety practices.
6. Municipality assumes responsibility for and shall indemnify, defend, and save the Company harmless against all liability, claims, judgments, losses, costs, and expenses for injury, loss, or damage to persons or property including personal injury or property damage to municipality and its employees and/or contractors on account of defective construction, wiring, or equipment, or improper or careless use of electricity, on municipality's side of the point of delivery.
7. Municipality shall not cause or permit any person(s) to work near conductors and appurtenances energized or likely to be energized with electricity. Municipality, Company and Company's contractors shall comply with all requirements of the Occupational Safety and Health Administration (OSHA) and (if NC, otherwise omit) the North Carolina Overhead High-Voltage Safety Act and any other requirements and practices expected to be applicable when working near electricity.
8. This Agreement shall be effective as of the date of acceptance by Municipality and Company and may be terminated according to the terms and conditions of the Company's Street Light Rate Schedule as filed with the North Carolina Utilities Commission or Public Service Commission of South Carolina (select one) as amended from time to time.

9. This Agreement shall be governed by the laws of the state where the Street Lighting Facilities are located, and no conflict-of-law provision shall be invoked in order to apply the laws of any other state or jurisdiction.
10. This Agreement embodies the entire agreement between Company and Municipality regarding the attachment of street lighting facilities to Municipality's traffic signal poles only. The parties shall not be bound by or liable for any statement, writing, representation, promise, inducement or understanding not set forth above. No changes, modifications or amendments of any terms and conditions of this Agreement are valid or binding unless agreed to by the parties in writing and signed by their authorized agents.
11. Unless otherwise defined in this Agreement, all capitalized terms and phrases used in this Agreement shall have their common industry meaning as set forth by their respective governing body.

Municipality and Company's approval and acceptance of the foregoing terms and conditions shall be evidenced by the signatures of duly authorized officers of Municipality and Company in the spaces provided below.

Please execute both copies of this Agreement, retain one original for your file and return the other original within ten (10) calendar days to Dawn Guy, Manager, Lighting Solutions Carolinas, P. O. Box 1551, Raleigh, NC 27602.

Sincerely,

Tucker Mann
Vice President – Market and Customer Services
Progress Energy Carolinas, Inc.

Accepted:

[CITY OR TOWN] OF _____

By: _____

Name (printed): _____

Title: _____

Date: _____

RLH/rth